



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
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DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 969

DATE: November 23, 2010

TO: Iowa Medicaid Nursing Facility Providers

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Nursing Facilities and Non-Emergency Medical Transportation (NEMT)

On October 20, 2010 the IME issued Informational Letter 957 concerning non-emergency medical transportation. The Informational Letter discussed when a nursing facility would be required to arrange transportation for members to receive necessary medical services outside the nursing facility.

Since the issuance of Informational Letter 957, it has come to the attention of the Department that the addition of the transportation brokerage has been perceived as a change to the state's policy on reimbursement for non-emergency medical transportation. Prior to the implementation of the brokerage the state required nursing facilities to provide transportation for medically necessary services and claim those costs on the annual financial and statistical report. This has not changed. Previous policy on nursing facility reimbursement for transportation costs can be found in the 2009 edition of the Iowa Administrative Code as follows:

441 IAC 81.5(b) The facility shall arrange for transportation to receive necessary medical services outside the facility. If a family member, friend, or volunteer is not available to provide the transportation at no charge, the facility shall arrange and pay for the medically necessary transportation.

441 IAC 81.5(c) The Medicaid program will provide direct payment to relieve the facility of payment responsibility for certain medical equipment and services which meet the Medicare definition of medical necessity and are provided by vendors enrolled in the Medicaid programs including:

(5) Transportation to receive medical services outside the community subject to limitations specified in rule 441—78.13(249A).

441 78.13(1) Transportation costs are reimbursable only when:

- a. The source of the care is located outside the city limits of the community in which the member resides; or
- b. The member resides in a rural area and must travel to a city to receive necessary care.

It was recently discovered that some nursing facilities had previously sought and received reimbursement for non-emergency medical transportation provided to Medicaid members within thirty miles of the nursing facility. At that time, the State was not in compliance with federal requirements for transportation. The amended rules and the addition of the brokerage have moved the State into a position of compliance with the federal requirements.

For clarification, the following four scenarios demonstrate the Department's policy on how the use of a transportation broker would affect reimbursement.

Scenario #1

The nursing facility owns a vehicle available for non-emergency medical transportation and the transportation is to a destination that is LESS THAN thirty (30) miles from the facility.

The nursing facility is responsible for transporting the member to and from the appointment. The cost associated with the transportation, including gas, staff time and depreciation are ALLOWABLE on the cost report and would be considered a reimbursable cost, subject to applicable limits.

Scenario #2

The nursing facility owns a vehicle available for non-emergency medical transportation and the transportation is to a destination that is MORE THAN thirty (30) miles from the facility.

The nursing facility is responsible for transporting the member to and from the appointment. The cost associated with the transportation, including gas, staff time and depreciation are ALLOWABLE on the cost report and would be considered a reimbursable cost, subject to applicable limits.

Scenario #3

The nursing facility does not own a vehicle available for non-emergency medical transportation and the transportation is to a destination that is LESS THAN thirty (30) miles from the facility.

The nursing facility is responsible for transporting the member to and from the appointment. The cost associated with the transportation, including fees paid to a vendor are ALLOWABLE on the cost report and would be considered a reimbursable cost, subject to applicable limits.

Scenario #4

The nursing facility does not own a vehicle available for non-emergency transportation and the transportation is to a destination that is MORE THAN thirty (30) miles from the facility.

The facility shall arrange for transportation through the broker designated by the department, with the cost to be paid by the broker pursuant to Iowa Administrative Code 441 Chapter 78.13. No costs should be incurred by the facility and therefore, no costs should be included on the cost report and would be considered UNALLOWABLE if noted by the IME Provider Cost Audit and Rate Setting Unit (PCA).

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909 or locally (in Des Moines) at 256-4609, or email at imeproviderservices@dhs.state.ia.us.